



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1999 (2006)

October 27, 1989

SUBJECT: Reclassification of Farmer Program Accounts

TO: State Directors, District Directors
and County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this AN is to clarify the requirements for reclassification of Farmer Program borrower accounts after primary or preservation loan servicing under the provisions of the Agricultural Credit Act of 1987. The intended outcome is to ensure that all Farmer Program loan accounts are properly classified.

COMPARISON WITH PREVIOUS AN:

This AN supplements the instructions in AN No. 1910 (2006) dated April 24, 1989.

IMPLEMENTATION RESPONSIBILITIES:

Refer to the unnumbered letter (SUBJECT: Reimbursement for Losses Resulting from 1951-S Writedowns and Writeoffs, issued August 29, 1989). That letter instructs County Supervisors to classify accounts that are flagged "51-S" according to three classification codes. Those three codes are different from the codes published in FmHA Instruction 2006-W, and are not based on completion of FmHA Form 2006-20. This was a TEMPORARY reclassification so that the Finance Office could determine the amount of loss incurred by the Agency as a result of the 1951-S writeoffs and writedowns, and capture that loss in Fiscal Year 1989. This will save the Agency the cost of financing the loss for an additional year.

AFTER OCTOBER 15, BUT NO LATER THAN NOVEMBER 30, 1989, County Supervisors will replace the temporary code by transmitting the classification code which was derived from classification of the account in accordance with Instruction 2006-W and AN 1910 (2006). This classification code will be based on the borrower's financial situation after completing 1951-S loan servicing actions and should be recorded on Form FmHA 2006-20, or an automated facsimile, in the borrower's file.

EXPIRATION DATE: March 31, 1990

FILING INSTRUCTION: PRECEDING
FmHA INSTRUCTION 2006-W

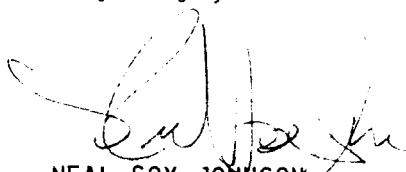


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Secretary of Agriculture, Washington, D.C. 20250

1999(2006)

The State Directors will certify by a report to the National Office, Planning and Analysis Staff, that the temporary codes have been replaced by the correct classifications. This report is due by December 18, 1989.

If you have any questions regarding classification procedures call Mary Cloyd, FTS 475-5314.



NEAL SOX JOHNSON
Acting Administrator

Sent by time Delay Option to States at 4:00 pm
on 10/27 ; to Districts at 9:00 am
on 10/30 ; and Counties at 11:00 am
on 10/30 by ASD.